



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 2, 2010

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Airport Department

**SUBJECT:** Acceptance Of Federal Aviation Administration Airport Improvement Program Grant For Santa Barbara Airport

### RECOMMENDATION:

That Council accept and authorize the Airport Director to execute, on behalf of the City, an FAA Airport Improvement Program Grant in an amount not to exceed \$3,100,000 to be distributed in two grants, Part A and Part B, of Project No. AIP-3-06-0235-41 for the Airline Terminal Improvement project and the purchase of an airfield sweeper.

### DISCUSSION:

The FAA, under authorization from the United States Congress, distributes Airport Improvement Program (AIP) funds each year. Half of each year's authorized level of AIP funding is distributed to all eligible commercial service airports through an entitlement program that guarantees a minimum level of federal assistance each year based on prior year passenger enplanement levels. The remaining AIP funds are distributed on a discretionary basis.

However, Congress has failed to pass new legislation and FAA has been operating under a continuing resolution since 2008 with the current resolution extending operations through March 31, 2010. Anticipating that FAA will either have new long-term legislation or another resolution, the FAA Airport District Office is issuing AIP grants in two Parts, A and B. The total funding amount for the 2010 entitlement grant is estimated at \$3,100,000.

A total of \$12.9 million in AIP grant funds was included in the financial plan for the Airline Terminal Improvement Project. Upon receipt of Part A and B of AIP-41, the Airport will have received all but \$2.8 million dollars of the grant funds. Also included in Part B of AIP-41 is funding for the purchase of a vacuum-rotary brush pavement sweeper to be used in maintaining the runways, taxiways, and ramps at the Airport. Keeping these surfaces clear of debris improves operational safety for aircraft and complies with the Airport's storm water preventive maintenance program.

Airport staff has been verbally notified by FAA that the Airport Improvement Grant application has been approved and funds for the first allocation, Part A of AIP-41, will be available prior to March 31, 2010.

The second allocation, Part B of AIP-41, would be distributed on or before July 31, 2010. In order to meet the FAA's deadline for acceptance of the grant award, staff is requesting early authorization, based upon the verbal notification, for the Airport Director to execute the grant agreements, Part A and B, when the actual documents with the specific fund amounts arrive.

**BUDGET/FINANCIAL INFORMATION:**

Upon receipt of the actual grant agreements, staff will return to Council to appropriate the grant revenue and matching sponsor share, 5% of the total project cost, which will be funded from Airport reserves above Policy requirements.

**PREPARED BY:** Hazel Johns, Assistant Airport Director

**SUBMITTED BY:** Karen Ramsdell, Airport Director

**APPROVED BY:** City Administrator's Office